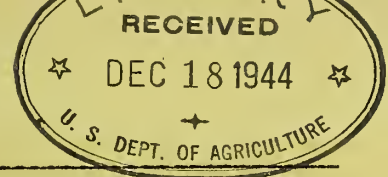


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



No. 27

"AMA "WAR BOARD" LETTER

Wash. D. C. Aug. 1, 1942

CONTAINERS: Situation more pessimistic. WPB M136 of past week places restrictions on use of black plate. Similar to tin conservation order M81, it lists essential civilian and military items that may go into blackplate sets quota limitations on amount to be used cans, and imposes further limitations on can sizes. Heretofore blackplate could be used for any products that could be packed in it. Meanwhile, Secretary Wickard's Food Requirements Committee is studying entire container and packing situation, making estimates of total tonnages of materials that will be needed for supplies for military, civilians, Lend-Lease next year. This report will be made to WPB and observers believe that it may lead to allocations of material for each of these needs. Also seen is further trend to dehydration.

DEHYDRATED VEGETABLES: About 30 plants have been approved under vegetable dehydration program. 1/3 of them are expansion of existing facilities and the rest conversion of food processing plants to dehydration work. Approved plants are scattered throughout country in New York, Maine, North Dakota, California, Washington, Oregon, Idaho, Louisiana, Texas and Maryland. Detailed report on the expansion program is being prepared and should be ready next week.

EGGS: Practically all materials for expansion of egg drying have been used, with 34 plants or expansions already approved. (At present there are about 85 egg drying plants operating throughout the country.)

MILK: On July 27, AMA announced that Wisconsin Cooperative Creamery Ass'n, Union Center, Wis., had been approved for temporary FSA loan to build and equip plant to process dry skim milk and equip 14 creameries with whole milk receiving facilities. This is 13th coop to be financed by USDA for production of L-L dairy products. Materials priorities have been recommended for 18 more plants to enter milk drying and 4 plants are being considered for recommendations. These will use up practically all of the materials allocated by WPB.

MEAT: Offers to furnish dehydrated beef were opened July 30. On offer, from Swift & Co., to furnish 80,000 lbs, was accepted. Some smaller purchases may be made from other processors, to which probably will wind up dehydrated beef purchase program. Reason: Because of heavy military and civilian demand, beef supply situation is tight, particularly supplies of that type going to dehydrated product, "canner cattle". This country has never been big beef exporter. We entered program to supply demands for dehydrated meat because of great demand from United Nation allies. In order to get dehydration work under way commercially, AMA asked offers for dehydrated beef since that process was only one perfected. It is hoped that process for dehydrating pork will be ready soon. (details of specifications for pork are expected in next few weeks) So, purchases of dehydrated beef were made to get processors under way with idea that shift to dehydrated pork would be made soon as possible. Copies of Secty Wickard's talk on Farm & Home Hour today, covering meat situation, are being sent you. It gives details of national meat picture and spikes talk of shortage.

GRAIN STORAGE: CCC has let contracts for over 48,000 pre-fabricated wood grain storage bins for use on farms. This represents close to 97,500,000 bu. of storage. Thru. July 30, a total of 9,980 bins, representing over 19,600,000 bu. storage space has been delivered under program to farmers. Bulk of bins, over 5,000,000 bu., have gone into Kansas, about same amount into North Dakota, 3,615,000 bu. to Texas, 1,600,000 bu. to Oklahoma, 1,126,000 bu to Nebraska and 1,250,000 bu. total to the NW states of Washington, Oregon, Idaho and Wyoming. Some bin manufacturers are having trouble getting lumber because of large Army requisitions. But as soon as requirements are known, it is hoped that WPB will release enough lumber to meet CCC requirements.

Interstate Commerce Commission has issued an order making Permit Committees, which direct flow of grain to terminal markets, its agents. This legalizes directives of committees to railroads that preference be given to transportation of "distress" grain over grain "in good shape".

WPB has announced that no further priority assistance will be given for construction of terminal, country, or on-the-farm grain storage facilities. Such applications are being sent back to USDA for further study and report.

VICTORY FOOD SPECIAL: Domestic cheese has been designated as a V.F.S. during period Aug. 17 thru 29. Supplies of cheese available for home consumption are now at peak levels, commercial storage holdings of American cheddar on July 1 approximated 165,000,000 lbs., nearly 50,000,000 lbs. above a year ago, and largest on record for date. Commercial stocks other types also heavy. Cheese production must kept up, however, to meet increasing L-L and military needs. Full use in home of heavy supplies now available will help maintain high production rate needed to assure continued production for wartime requirements.

Office of War Information has sent to advertising agencies and radio networks fact sheet on general aspects of VFS program. OWI has given program network allocation during weeks beginning Aug. 17 and 24 to inform general public of purpose and has given program a general "B" priority rating (items in this category may receive 20% of available radio program units.) Provisions also made to give "A" or "AA" rating in emergency conditions requiring highly intensive drive to move any particular commodity designated as "special".

DRY PEAS: AMA has announced minimum prices at which it will purchase 8 designated types of 1942 crop dry peas in accordance with price support program for this year's crop announced in January. Purchases will begin Aug. 5 and offers will be accepted thereafter on 1st and 3rd Wednesdays of each month, through June 30, 1943. Under program, AMA will buy on offer and acceptance basis in quantities necessary to support market at level of \$5.25 cwt. for US No. 1 grade and \$5 per cwt. for US No. 2 grade, in bags, carlots, f.o.b. cars at country shipping points. As announced previously, the 8 types to be purchased are Alaska, Bluebell, First and Best, White Canada, Alderman, Perfection, Surprise, and Thomas Laxton, Green split-peas and yellow split-peas also will be purchased same way, at prices commensurate with the extra processing involved. The support prices for the 8 designated types is substantially above 85 percent of the "comparable price" to growers for all dry peas, if processing, handling, bagging and other charges do not exceed about 75% ("Comparable prices" for non-basic commodities such as dry peas are equivalent to "parity prices" for basic commodities such as wheat and corn.) Purchases will be made from growers, associations of growers, their authorized agents or dealers. All peas are to be federally inspected with cost borne by vendor. Lots purchased will be stored in local producing area warehouses and elevators until needed for shipment, insofar as practicable. Purchases of dry peas under 1941 program ended yesterday, July 31.

NOTE: By this time you should have received mimeographed booklet "Conserving Tires and Trucks in Moving Farm Products to Initial Market Outlets and Supplies to Farms" and the attached memo from Administrator Hendrickson. This is to emphasize importance of studying the booklet. Also sent you was another booklet on "How the Agricultural Marketing Administration Purchases Food for War Purposes and for Price Support" This should come in handy in War Board work. Being sent you are AMA Administrator's memo No. 20 covering the "School Milk Program and Assignment of Responsibilities Incident to its Operations" and a memorandum on the grain storage situation to Administrator Hendrickson from his special assistant J.E. Wells, Jr., (This report was touched on in AMA WB Letter NO. 25. Further study of the complete report is recommended, particularly the outline of the 17 different programs underway in the Dept. to alleviate storage situation.) This also should be important in WB work.) In the mill for duplicating is a pamphlet on how distribution programs (School Lunch, Food Stamp, Direct Distribution and Penny Milk) fit in with War Effort, entitled "On the Home Front With AMA War Food Programs". Will send copies as soon as available--about August 15.